

Message Text

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70

ORIGIN EA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-02

NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03 SP-02 SS-15

STR-04 TRSE-00 FRB-03 FEA-01 PA-01 PRS-01 USIA-06

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DRAFTED BY EA/IMS:ECINGRAHAM:CCH

APPROVED BY EA/IMS:EDWARD C. INGRAHAM

EB/FSE - MR. WHITMAN (PHONE)

EA/EP - MR. IMUS (PHONE)

----- 028875

P 072157Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY KUALA LUMPUR PRIORITY

C O N F I D E N T I A L STATE 078498

E.O. 11652: GDS

TAGS: ENRG, MY

SUBJECT: REPORTED TAKE-OVER OF FOREIGN OIL DISTRIBUTORS

1. OFFICIAL FROM ESSO HOUSTON PHONED DEPT URGENTLY
APRIL 7 TO SAY COMPANY HAD JUST BEEN INFORMED BY ITS
KUALA LUMPUR MANAGER THAT MEASURE ABOUT TO BE PASSED BY
MALAYSIAN PARLIAMENT WOULD RESULT IN VIRTUALLY UNCOMPEN-
SATED TAKE-OVER OF FOREIGN-OWNED PETROLEUM DISTRIBUTING
AND MARKETING FACILITIES IN MALAYSIA. ACCORDING TO ESSO
HOUSTON, BILL ENTITLED PETROLEUM DEVELOPMENT(AMENDMENT)
1974, WAS INTRODUCED INTO PARLIAMENT APRIL 1 AND HAS
ALREADY BEEN APPROVED AT FIRST READING. ESSO HOUSTON HAS
HEARD THAT BILL WOULD REQUIRE DISTRIBUTORS TO PROVIDE
QUOTE MANAGEMENT SHARES UNQUOTE TO PETRONAS WHICH WOULD
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GIVE LATTER MAJORITY SHARE OF MANAGEMENT IN RETURN FOR

NOMINAL PAYMENT. BILL WOULD BE RETROACTIVE TO LAST
OCTOBER 1.

2. ESSO HOUSTON OFFICIAL STRESSED THAT, IF REPORT WAS
ACCURATE, BILL WOULD HAVE SERIOUS IMPACT NOT ONLY ON
PETROLEUM DISTRIBUTORS BUT ON OVERALL CLIMATE FOR FOREIGN
INVESTMENT IN MALAYSIA. OFFICIAL FEARED BILL WAS BEING
RUSHED THROUGH PARLIAMENT BY PETRONAS MANAGEMENT WITHOUT
SENIOR GOM OFFICIALS BEING AWARE OF ITS FULL IMPLICATIONS.

3. WOULD APPRECIATE SOONEST ANY INFO EMBASSY MAY
HAVE ON MATTER. INGERSOLL

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, NATIONALIZATION, LEGISLATIVE BILLS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: ECINGRAHAM:CCH
Enclosure: n/a
Executive Order: GS
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Handling Restrictions: n/a
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Review Exemptions: n/a
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Margaret P. Grafeld
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05 JUL 2006

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TAGS: ENRG, MY, PETRONAS, ESSO HOUSTON
To: KUALA LUMPUR
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